

MS Military Department-State Purchasing and Contracting Division

State Small
Procurement Credit
Card Use April 2010
REVISED October
2014

Procurement Card Services Program Purpose....

- Allows select employees to make purchases which are for a bona fide need of the MMD for small dollar purchase (under \$5,000).
- Reduce issuing small dollar PO's
- Increase in processing efficiency
- Increase in purchasing flexibility

Laws and Policy

- MS Code, 1972, Annotated, Section 7-7-23, the State Fiscal Officer established a general rule to allow state agencies to make certain purchases without first issuing a purchase order
- The Department of Finance and Administration, Office of Purchasing, Travel and Fleet Management (DFA/OPTFM), State Procurement Manual, Chapter 10.113 and Chapter 10.115
- State of MS Contract issued by the DFA/OPTFM for Small Procurement Purchase Card
- MS Military Department-State Purchasing and Contracting Division, Credit Card Policies and Procedures

Conditions for Using the Small Purchase Procurement Card

- Departments authorized to use the state procurement card may use for bona fide needs of the department
- Maximum amount of purchase is \$5,000 per single transaction

Getting Started

- Director/Supervisor having a need for the State Procurement card will submit to the Dir, State P&C Div a Request for Small Purchase Card Authority filled out by the individual who will be issued the card and signed by the Director/Supervisor along with the Purchase Card Setup Form
- Dir, State P&C Div, once receiving the request, will obtain State Comptrollers approval and process request
- Once request has been approved and card has been received, Dir, State P&C Div or designee will contact the individual card holder, his/her supervisor and any other person involved in the process to set up a training session

Program Coordinator/Liaison Officer

- Program Coordinator is Judy Eberhardt –
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- Liaison Officer is Amanda Michael –
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Program Coordinator/Liaison Officer Responsibilities

- Program Coordinator:
 - Overall responsible for Credit Card program for the MMD
 - Communication with OPT
 - Submits disputed documents to UMB for review.
 - Approves and processes the Request for Small Procurement Card Authority, along with approval from the State Comptroller
- Liaison Officer:
 - Helps individual card holder get setup with online process for statements (will not have paper statements)
 - Communication with OPT
 - Reviews and certifies monthly statements to ensure compliance of the purchases

Card Holders Responsibility

- Ensure compliance with all applicable laws, regulations, policies and procedures.
- Safeguards the Purchase Card and Account No.
- Return reconciled Statement to the P&C Div NLT 1 days after receipt of statement (Statement available via website. Do NOT depend on the email. It is the Card Holders responsibility to print his/her own statement.)

Procurement Card Minimum Requirements DO'S AND DON'TS

- No cash advances allowed
- No travel related expenses (Food for Business meetings may be purchased, Form to be filled out, If used for catering the caterer must be incorporated)
- Back orders may not be charged
- Cardholder must ensure prices are fair and reasonable
- Available budget authority must exist to cover expenditures
- No capitol equipment
- No state and local taxes
- No giving card no. to a business for a recurring monthly charge.
- Individual card can only be used by the named cardholder. Do Not loan Purchase Card to anyone.
- Purchases must comply with purchasing laws
- Cardholders should review and confirm a detailed list of what is allowed to be purchase (Personal items may not be charged at any time.)
- State contract items are purchased only from the state contract vendor at or below the state contract price.
- Contractual Services may be used on the Procurement card as long as the business is Incorporated.

Procurement Card Minimum Requirements DO'S AND DON'TS Continued

- Radioactive, Explosive or other Hazardous material
- Items for personal use
- Alcoholic beverages
- Gifts
- Entertainment
- No vendor Surcharge for using card, if vendor will not comply, inform them they are breaking MS state law and if they will not remove surcharge we can not use that vendor.

PROHIBITED EQUIPMENT PURCHASES

- We are required to maintain a complete and current inventory list of each property item which costs \$1,000 or more unless the items purchased fall within the groups listed below. These items will be regarded as equipment regardless of their purchase value:
 - ❖ Weapons
 - ❖ Two-Way radio equipment
 - ❖ Lawn Maintenance equipment
 - ❖ Cellular telephones
 - ❖ Chain Saws
 - ❖ Air Compressor
 - ❖ Welding Machines
 - ❖ Generators
 - ❖ Motorized Vehicles
 - ❖ Camera & Camera equipment (greater than \$250)
 - ❖ Ipads
 - ❖ Computer and Computer equipment (greater than \$250)
 - ❖ ANYOTHER ITEM THAT YOU WOULD THINK IS EQUIPMENT (USE PURCHASE ORDER PROCESS)

Itemized Receipts

- Obtain an itemized receipt for each purchase
- If itemized receipt is not clear as to the purchase, hand write (in ink) what the item/s is that was purchased
- Itemized is the key, can not accept just a credit card printout that is not itemized
- If receipt can not be obtained complete a Missing Document Affidavit

Taxes

- Tax should NOT be charged to the state procurement card (Section 27-65-105(a) of the MS Code of 1972, Annotated)
- Responsibility of the cardholder to inform vendor of tax exempt status
- If charged tax, cardholder MUST obtain a credit within the same month if possible if not NLT the next month

Split Purchases/Circumvention of Obtaining a Purchase Order

- As stated in the previous slide the state procurement card maximum amount for a single purchase is \$5,000 per transaction.
- Purchases over \$5,000 must be on a purchase order and requires two written competitive quotes
- Do not split purchases (split purchases is defined as splitting one purchase totaling more than \$5,000 into several to circumvent the \$5,000 limit)

Information needed in the processing Purchase Order Request along with backup documentation

- Vendor – UMB Bank
- Vendor Number: 3100009489
- General Ledger Code 61900000 for Services
- General Ledger Code 62900000 for Commodities
- General Ledger Code 62045000 for Food for Business Meetings
- Summary Record of Credit Card Use
- Record of Credit Card Use
- Submit original + 1 copy of the receipts with the Original Summary of Record of Credit Card Use and Record of Credit Card Use, and Statement.

Security Issues

- Keep the state procurement card in a secure location (e.g. locked file cabinet or office safe)
- Do not carry the state procurement card on vacations, non-duty hours to include, weekends or holidays
- Keep the state procurement card separate from personal credit cards
- Do NOT share assigned procurement card or number with anyone other than the merchant of where business is being conducted. (Ref. #7 of the Card Holders Agreement)
- For cards lost or stolen, cardholder must notify the bank and the Program Coordinator immediately.
- Cardholder MUST return the card immediately upon request, termination, resignation or retirement.

Liability

- The State of MS will not accept any liability or financial responsibility for employee's charges that have not been authorized and exceed any specified limits and violate any of the MCC code restrictions pursuant to current card association rules and regulations. (MCC Code is a Merchant Category Code that DFA/OPTFM along with the vendor has set up to indicate what type category the company is.)

Questions

- Questions are welcomed

